



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**
Division of Child Development
and Early Education

Using Your NC Stabilization Grant

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Division of Child Development and Early
Education

Overview for Child Care Providers

October 2021



How to Receive Credit for Attending Today's Training:

- Follow the link below/in the chat, or use the camera on your smart phone over the QR code:

- <https://forms.office.com/g/wkGkXpX48b>

- OR: you may email DCDEE_support@dhhs.nc.gov

- Your first/last name
 - The program you work for
 - Your email address
 - Your phone number
 - The date of the training you attended

- Due to the high volume of requests, you will receive your training certificate as soon as possible.



Turn on your smart phone's camera and hold here to take you to the attendee link

Stabilization grants help strengthen providers whose work helps raise North Carolina.



Today we will cover...

- **How much grant funding will my program get and why?**
 - Estimates available using the NC Child Care Stabilization Grant Estimator...
- **What can we use the grant funding for?**
 - Operational costs, compensation, much more...
- **When will we get our grant funds?**
 - If your grant is completed, received, and approved by 11:59 pm October 31 you will receive funds the middle of November...
- **What will reporting use of grant funds look like?**
 - Documentation of spending will be required through the online portal...

Reminder: Guiding Principles for DCDEE Stabilization Grant Design

1

Design a Responsive Program Model

- Leading with equity – community demographics and subsidy density
- Plan to adapt; build continuous quality improvement into plan

2

Build the Business Model for Success and Adapt as Needed

- Multiple months of consistent funding
- Prepare for data collection methods and technology needs

3

Implement Clear, Consistent Communication Practices

- Use multiple modes of communication and communicate frequently
- Dedicated customer service staff
- Develop internal operational practices to ensure customer service success

The Stabilization Grant process puts the principles to work:

CHILD CARE PROGRAMS

- Enter data in online portal
 - Initial application
 - Monthly reporting
 - Quarterly uploads of receipts

STABILIZATION GRANTS

1 Fixed Costs & Families Grants

2 Compensation Support Grants

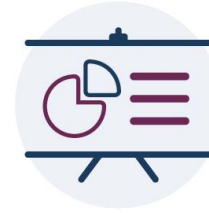
Funds can be used for the following (and more!)



**Rent, Mortgage,
Utilities**



Payroll Benefits



**Health & Safety
Training**



**Facility Maintenance
or Improvements**



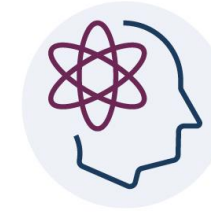
**PPE, Cleaning &
Sanitizing Supplies**



**Equipment Related to
COVID-19**



**Goods to Continue
Child Care**



**Mental Health Support
for Staff & Children**

- **Reimburse previous expenses since the start of the pandemic (after 1/31/2020)**
- **These funds are taxable – for the provider, and for staff**

Funds can be used for: Facilities improvements

- Facility maintenance or improvements, defined as:
 - Minor renovations (such as renovating bathrooms),
 - Accessibility improvements (installing railing ramps, automatic doors) including outdoor learning spaces/playgrounds, and
 - Minor improvements to address COVID-19 concerns (such as removing non-load bearing walls to allow space for social distancing)

Special Circumstances

- **Transfer of Ownership, Site Location Transfer**

- Retain same rate of grants for 6 months

- **New Programs**

- Paid at 3 Star rate for 6 months

*if programs have applied for Star rating and have not been rated, the same Star rating will be used until the assessment process has been completed

Fixed Costs and Families Grant Formula Components

The Fixed Cost & Family Grant formula components:

1. Total licensed capacity and star level

2. Program indicators:

a. % of infants & toddlers enrolled when full:

- 1-25%: Increase in funds by 5%
- 26-50%: Increase in funds by 10%
- 51-75%: Increase in funds by 15%
- 76-100%: Increase in funds by 20%

c. % of children currently enrolled in child care subsidy:

- 1-25%: Increase in funds by 3%
- 26-50%: Increase in funds by 6%
- 51-75%: Increase in funds by 9%
- 76-100%: Increase in funds by 12%

b. Community context (Social Vulnerability Index) by county:

- 0-25%: Increase in funds by 3%
- 26-50%: Increase in funds by 6%
- 51-75%: Increase in funds by 9%
- 76-100%: Increase in funds by 12%

**Note: Fixed Cost Grants will be reduced at 6-month recertification periods; new formulas will be given with 3 months advance notice*

Fixed Costs & Families Grant Amount Example: Family Child Care Home

- Facility Type: Family Child Care Home
- Star Rating: 4 Stars
- Total Licensed Capacity: 8 children
 - = \$5,877
- Percent children enrolled who receive child care subsidy: 37.5%
 - = \$353
- Percent infants/toddlers served: 25%
 - = \$294
- Community Context (County's Social Vulnerability Index): 58.6%
 - = \$529

Estimated Fixed Costs and Families Grant Amount

\$7,053

Fixed Costs & Families Grant Amount Example: Mid-Size Center

- Facility Type: Child Care Center
- Star Rating: 3 Stars
- Total Licensed Capacity: 65 children
 - = \$26,123
- Percent children enrolled who receive child care subsidy: 26.2%
 - = \$1,566
- Percent infants/toddlers served: 40%
 - = \$2,610
- Community Context (County's Social Vulnerability Index): 2%
 - = \$738

Estimated Fixed Costs and Families Grant Amount

\$31,062

Fixed Costs & Families Grant Amount Example: Large Center

- Facility Type: Child Care Center
- Star Rating: 5 Stars
- Total Licensed Capacity: 151 children
 - = \$58,050
- Percent children enrolled who receive child care subsidy: 23.2%
 - = \$1,742
- Percent infants/toddlers served: 18.5%
 - = \$2,903
- Community Context (County's Social Vulnerability Index): 31.3%
 - = \$3,483

Estimated Fixed Costs and Families Grant Amount

\$66,177

What does our online grants calculator look like?

Fixed Cost and Family Grants

Fixed Grant Awards By Capacity\Star Rating

Select Facility Type	Child Care Center
Select Star Rating	Five Star
Enter Total Licensed Capacity	88
Enrollment Category	51-100
Quarterly Fixed Grant Amount*	\$35,325

* One\Two star includes GS-110, Temporary, Special Provisional, Provisional Licensed providers.

Fixed Grant Adjustments

Enter SCC Enrollment	19
Subsidy Density %	21.6%
Subsidy % Adjustment	3%
Subsidy \$ Adjustment	\$1,060
Enter 0-36 Month Enrollment	15
0-36 Month Enrollment %	17.0%
0-36 Month % Adjustment	5%
0-36 Mo. \$ Adjustment	\$1,766
Select County	Madison
Social Vulnerability Index %	24.2%
SVI % Adjustment	3%
SVI \$ Adjustment	\$1,060
Totals Projected Fixed Grant Award*	\$39,211

Compensation Grants

Select Teacher Payment Option	Option #2
Option #1 - Pay Bonuses*	
Option #2 - Enhance Salaries	10% \$ 3,921
Baseline Staff Pay Enhancement	\$3,921

Payments for Staff - Option #2 Only

Non-Teaching Staff	#	Rate	Payment*
Enter Number of Part Time Staff		\$325 \$	-
Enter Number of Full Time Staff	4	\$650 \$	2,912

Teaching Staff

Enter Number of Part Time Staff	4	\$780 \$	3,494
Enter Number of Full Time Staff	24	\$1,560 \$	41,933
Total Payment for Staff		\$	48,339

Total Projected Staff Quarterly Payment*	\$	52,260
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* Adds 12% for to cover associated benefits.

Projected Combined Quarterly Payment (FCF Grant + Compensation)*	\$	91,471
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* Used to determine estimated grant awards. Actual awards will be based upon application information, final funding formula and calculation from grants payment system.

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Compensation Grant Options

Option 1. Provide Bonuses

- Programs will provide bonuses to their staff
- Must submit bonus plan to describe bonuses to teaching and non-teaching staff
- Recommend that bonus structure considers education and longevity

Option 2. Increase Base Pay and/or Provide or Increase Benefits

- Programs will increase base pay, must implement a salary scale based on education and longevity for teaching and non-teaching staff

AND/OR

- Provide or increase benefits; must submit a plan for providing benefits
- Higher grant awards than Option 1

Option 3. Decline to participate in Compensation Grants

What is a Salary Scale?

- A salary scale (also known as a salary schedule or salary structure) is how an organization determines the rate of pay per employee
- **Moving the Needle**, a multi-agency partnership, created a model salary scale for North Carolina's early care and education system
 - [This model salary scale](#) was designed to set minimum starting salaries to help attract and retain qualified early childhood education teachers
 - It is based on paying teachers a living wage, and wages that are on parity with the salaries of entry level public school teachers
 - Using this scale is **NOT** a required scale, but an example to reference when creating your own scale

What is a bonus and how is that different from base pay or benefits?

Bonus

- Does not impact hourly pay rate
- Recommend that it is based on education and longevity
- Is taxable and counts toward income

Base Pay, Benefits

- Base pay increase is additional pay per hour
- Base pay is taxable and counts toward income
- Benefits do not typically count toward income eligibility; examples include:
 - Health insurance
 - Mental health supports
 - Dental
 - Vision
 - Retirement
 - Short and/or long term disability
 - Paid time off
 - Child care tuition
 - Tuition for higher education

Compensation Grant Formulas: Bonuses vs. Base Pay/Benefits

Bonus Amounts Per Quarter:

- \$600 per full time staff
- \$300 per part time staff
- 12% administrative cost added

*Notes:

- *This slide outlines the formula for compensation funding is distributed to providers. There is no set requirement that providers must distribute the compensation funding to staff following this same formula. For ex: could distribute smaller, more frequent \$200 bonuses.*
- *Compensation Grants will not decrease over time*

Base Pay/Benefits Amounts Per Quarter:

- 1 & 2 Star– \$650/FT , \$325/PT - EDU 119
 - \$1.25/hr increase
- 3 Star - \$780/FT, \$390/PT ~Certificate
 - \$1.50/hr increase
- 4 and 5 Star– \$1560/FT, \$780/PT - AA
 - \$3.00/hr increase
- \$650/FT, \$325/PT non-teaching staff
- 12% administrative cost added
- 3, 4, and 5 star programs receive additional quality enhancement funds – 10% of fixed cost grant

Bonuses vs Base Pay and Benefits: Compensation Grant Amount Example

Bonuses

- 25 full time teaching and admin staff
- 3 part time teaching and admin staff
- 3 full time non-teaching staff
- 2 part time non-teaching staff

1 Star Estimated Base Pay and Benefits Grant

\$18,000/quarter

4 Star Estimated Base Pay and Benefits Grant

\$18,000/quarter

Base Pay/Benefits

- 25 full time teaching and admin staff
- 3 part time teaching and admin staff
- 3 full time non-teaching staff
- 2 part time non-teaching staff

1 Star Estimated Base Pay and Benefits Grant

\$19,825/quarter

4 Star Estimated Base Pay and Benefits Grant

\$48,963/quarter

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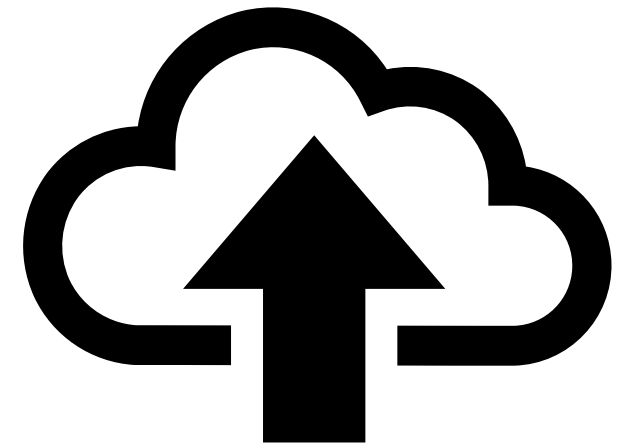
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DCDEE is required to monitor how grants are being used

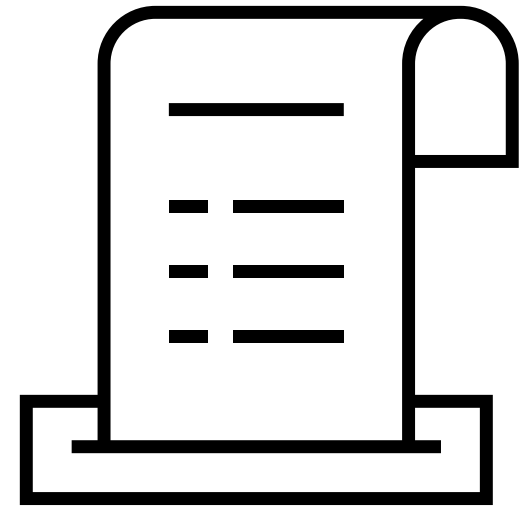
Required reporting through online portal

- **Monthly:** First week of each month, provide information on COVID-related closures, changes in enrollment or workforce, including education
- **Quarterly:** Share information on how you are spending grant funds - *Upload supporting documentation* - receipts, payroll, etc.
- **Every 6 Months:** Full recertification – Make any relevant changes to application



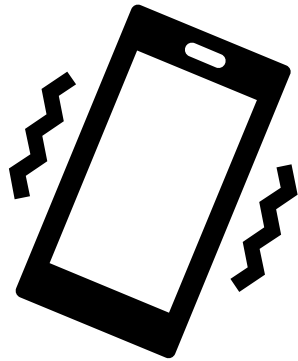
How do I document how I spend grant funds?

- **Online portal to submit records from using grant funds, such as:**
 - Payroll records
 - Bank or credit card statements
 - Cancelled checks
 - Receipts from vendors and stores
- **Reporting Recommendations:**
 - Secure receipts for cash payments
 - Seek professional assistance with tax and financial advice
 - Records must be retained for 7 years

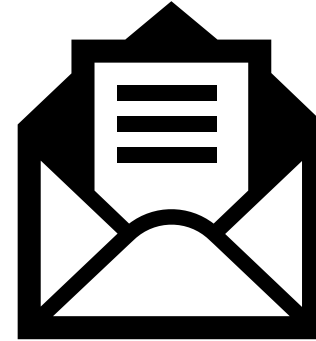


We're here and eager to help you with your application.

Stabilization Grants Customer Service Supports



OR!



(919) 814-6300, select option 3

DCDEE_support@dhhs.nc.gov

Key Dates to Remember:

- **Online application closes:** October 31, 2021
- **Last Operational Grant payment:** October
- **First stabilization grants payment:** November
- **First monthly report due:** December 1-7, 2021
- **First quarterly report due:** January 4-12, 2022



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A baby with dark hair is sitting on a grey rug, looking up and to the right with a happy expression. The baby is wearing a green long-sleeved shirt with grey horizontal stripes and blue jeans. They are holding a bright pink plastic ring in their mouth. In front of them on the rug are several wooden toys, including a wooden frame and some colorful blocks. The background is a blurred indoor setting with a wooden wall featuring a grid of small framed pictures, a large grey cushion, and a bookshelf with books and toys.

Thank you for raising
North Carolina!